

Exhibit 13B: Narrative Summary

Company Name: Oxford Health Insurance, Inc.
NAIC Code: 78026
SERFF Tracking #: UHLC-133660387
Market Segment: Small Group

We have prepared this Narrative Summary as further explanation of the letter you recently received from us outlining our annual proposed premium rate adjustment filing(s) with the New York State Department of Financial Services (DFS). This Narrative Summary will remain posted for a minimum of 30 calendar days from the date of our letter to you, our policyholder, or subscriber. Please read this information carefully. If you have any questions, please contact us or DFS within 30 days, as stated in our letter.

Background

The premium rates charged by an insurer are used mainly to pay for the medical costs and administrative expenses for small group health care benefits coverage.

Medical costs are the main part of the premium. Medical costs include items such as doctor visits, inpatient and outpatient care, covered prescription drugs and new mandated benefits. Medical costs also include taxes and assessments associated with medical services. New York state law requires that at least 82 percent of the premium, or 82 cents of each premium dollar, is to be paid towards medical costs. The remaining 18 percent is used for administrative expenses (e.g., claims processing, customer service, system maintenance, operating costs of web portals, consumer education and support tools), taxes and fees (e.g., Section 332 assessment and premium tax), and profit.

Current Rate Increase Components

The new premiums will apply to all small groups that sign-up or renew during 2024. Please see the attached Numerical Summary with the average requested rate changes. 375,651 members are impacted by this requested rate change. The rate filing we have submitted is seeking an increase mainly related to rising medical costs. Medical costs are the single largest part of the premium dollar and continue to rise significantly. There are many different medical cost trends that contribute to increases in the overall U.S. health care spending each year. These trends cause us to request a higher premium to cover costs.

We develop estimates of future medical costs based on a number of considerations. When deciding whether to seek a premium increase or decrease, we review claims data and administrative expenses to determine the expected costs and expenses for the future period. We review recent claims data for utilization (number of services), unit cost (reimbursement cost for a health service), and benefit leveraging (impact of member cost-share). Future trends are developed based on a projection of each item. The projected annual trend factor for 2024 is 9.0% percent. This breaks down into the following components: 4.3% percent unit cost, 3.9% percent utilization and 0.6% percent benefit leveraging.

In addition, aging of the New York Small Group market is expected to increase costs by 0.7 percent per year. This is applied to the overall rate level because rating based upon member age is not permitted in the New York Small Group market.

A part of the medical costs includes a pooling technique established under the Affordable Care Act (ACA) called Federal Risk Adjustment. This attempts to equalize risk within the New York Small Group market and requires carriers to set rates at the statewide average risk level. The estimated risk adjustment value reduces the costs by 0.3 percent.

Changes in state mandated benefits account for 1.4 percent of the requested rate change.

The requested rate changes also include the impacts of plan relativity changes due to pricing model updates (rate increases or decreases depending on the plan) and benefit changes (rate neutral, increases or decreases depending on the plan). Specific information regarding the benefit changes will be communicated separately to those in impacted plans.

Final Rate Increase

The Superintendent of the Department of Financial Services may approve (as requested), modify or deny the proposed rate adjustment. Upon renewal, your final premium will account for the rate adjustment approved by the New York State DFS, as well as any chosen changes to your **benefit plan design, and your group's census**. If you are a subscriber of a group plan, please contact your employer for information about how this information affects your premium contribution.

EXHIBIT 13a: NUMERICAL SUMMARY AND RATE INDICATION CALCULATION

NUMERICAL SUMMARY

Company	Oxford Health Insurance Inc.
NAIC Code:	78026
SERFF Tracking #:	UHLC-133660387
Market Segment:	Small Group

- 1 Please complete the Numerical Summary below as well as the Narrative Summary (a separate attachment) for each market segment for which a rate filing is being submitted.
- 2 The Narrative Summary must be in plain English and should clearly and simply explain the reasons for the requested rate adjustment (This should be included in the provided blank template "2024 Exhibit 13b - Narrative Summary.docx")
- 3 The purpose of the Narrative Summary is to provide a written explanation to the company's policyholders to help them understand the reasons why a rate increase is needed.
- 4 The purpose of the Numerical Summary is to provide a clear and simple overview of the requested rate adjustment.
- 5 These Summaries (with the exception of the Rate Indication Calculation Section) will be public documents and will be posted on DFS's website and furnished by DFS to the public upon request.
- 6 The company should submit these Summaries to DFS ten (10) days before submitting a rate adjustment filing.
- 7 A draft of these Summaries and of the Initial Notice must be included in a "Prior Approval Pre-filing" submitted to DFS via SERFF.
- 8 Once reviewed by DFS, these Summaries must be posted to a location on its website that is publicly available and accessible without the need for a user ID/password.
- 9 Links should be provided on key pages of the company's website so that the information may be easily located.
- 10 Any change(s) made to the Narrative Summary/Numerical Summary subsequent to the posting must be submitted to DFS with the specific change(s) identified.
- 11 Rate Change Adjustment calculations between Year 2023 and 2024 should be based on the DFS Membership Survey data as of 3/31/2023.
- 12 This exhibit must be submitted as an Excel file and as a PDF file.

A. Average 2023 and 2024 Premium Rates:

- 1 Weighted Average Monthly Base Premium Rates are as calculated in Row 32 of the appropriate columns in Exhibit 13c (Columns L-P for 2023 and Columns U-Y for 2024)
- 2 Premium Rates for 2024 should be Consistent with the Premium Rates reflected in Exhibit 23.

	Average Individual Rate Platinum	Average Individual Rate Gold	Average Individual Rate Silver	Average Individual Rate Bronze	Average Individual Rate Catastrophic
2023 Weighted Average Base Premium Rates	\$1,449.39	\$1,143.33	\$943.29	\$853.39	
2024 Weighted Average Base Premium Rates	\$1,678.61	\$1,325.15	\$1,090.35	\$954.77	

B. Weighted Average Annual Percentage Requested Adjustments:

	2023 to 2024	2023 Weighted Average PMPM Rate All - Metals	2024 Weighted Average PMPM Rate All - Metals	
Requested Rate Adjustment	15.51782%	\$920.49	\$1,063.33	From Cells Q-74 and Z-74 of Exhibit 13c

C. Weighted Average Annual Percentage Adjustments for each of the Past Two Years [If Applicable]*:

	2021 to 2022	2022 to 2023
Average Rate Adjustment Requested	15.86993%	16.78876%
Average Rate Adjustment Approved	7.71813%	5.97407%

D. Average Medical Loss Ratios [MLR] for All Policies Impacted [Ratios of Incurred Claims to Earned Premiums] [If Applicable]*:

	2020	2021	2022	Projected 2023	Projected 2024
MLR	84.8%	88.4%	85.4%	93.5%	84.6%

E. Claim Trend Rates and Average Ratios to Earned Premiums [Per Exhibit 18 Supplement for 2021-2023 and Comparable Exhibits for 2021] [If Applicable]*:

	2022	2023	2024
Annual Claim Trend Rates	3.4%	8.4%	9.0%
Expense Ratios	12.9%	13.1%	13.5%
Pre Tax Profit Ratios	1.7%	4.9%	4.5%

* If no products were offered in a particular year, indicate "N/A" in the applicable box.